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SUBJECT: AYACUCHO CONTACTS TALK OF NARCO-ECONOMY,
NARCO-CULTURE

Summary:

¶1. (SBU) Ayacucho's economy turns on narcotrafficking, local contacts told Poloff during a Nov. 8-10 visit. They cited coca-growing in the Apurimac and Ene River Valley (VRAE) as a key source of jobs, particularly for area youth who migrate to the VRAE during school vacations. They alleged that a major candidate for Regional President, Rofilio Neyra from the Fujimori Party, was financing a campaign of lavish giveaways with drug money. (Neyra lost, but remains prominent.) The extent of narco-penetration in Ayacucho is surprising, and suggests a tough fight ahead for licit alternatives. End Summary.

Students: "Spring Break" Coca-style

¶2. (U) Narcotrafficking from the Apurimac and Ene River Valley (VRAE) sustains the economies of the cities of Ayacucho and Huanta, according to a range of local contacts interviewed by Poloff during a pre-election visit to the region, Nov. 8-10.

¶3. (U) To the person, contacts alleged that the drug trade is financing a mini-economic boom in the city and region. This includes: new houses in Huanta, new businesses in Ayacucho (opened by people with no visible source of financing) and, above all, a surge in youth spending, in the form of packed discotheques on weekends, high levels of alcohol consumption, and abundant cell phones. According to several contacts, high school and university students (Ayacucho is home to the 8,000-student state-run University of Huamanga) frequently head to the VRAE during vacations to work for 1-2 month stints in coca fields to help their families or finance their studies.

¶4. (U) Other fortune-seekers also head to the VRAE in the hopes of getting rich quick. One contact told Poloff of a cab driver who takes 3-4 months off to visit his "little shack" in the VRAE, where he cultivates 4-5 hectares of coca plants. The contact estimated that one could earn USD 3,000 in four months and noted how the cabbie, like many, rationalized his participation in the drug trade, saying he was "only growing the leaf," not actually selling the drug ("Es solo hoja...."). The contact alleged that many, if not most, of working age in Ayacucho believe that anyone who

would pass up this kind of opportunity would have to be a "chump" (cojudo). (USAID Note: The cab driver is likely an absentee landlord who employs full-time VRAE peasants to tend to his fields and who hires others during harvest periods. End Note.)

Regional President Says VRAE Coca Cultivation Up

15. (SBU) APRA Party Regional President Omar Quesada confirmed the account of increased coca production. Having recently completed a pre-election campaign swing through the VRAE, Quesada said coca production was up "tremendously" and that this had created a migratory pull of peasants from the highlands to the jungle in search of work. (USAID Note: According to USAID field offices in the VRAE, increased coca production results from both increases in hectareage as well as the application of high-tech farming techniques. End Note.) Quesada maintained eradication policies would fail in explosive fashion in the VRAE. Instead, he said the GOP and others had to take the "oxygen" out of narcotrafficking with better interdiction, both of drugs leaving the VRAE and of precursor agents headed into the area, and increased investment in alternative development, working closely with the regional government.

16. (U) Several contacts echoed Quesada's comments about the need for more interdiction. They say that the Police make little or no attempt to inspect shipments that come out of the jungle to Ayacucho. They alleged that wood and other products borne by trucks often camouflage drug shipments.

Narco-Political Influence

17. (SBU) A wide range of local contacts alleged that Fujimori-party candidate for regional president Rofilio Neyra as narco-financed. They claimed Neyra's wealth came suddenly and from unknown sources, and that he was using it to finance a rural-based campaign of lavish giveaways to local peasants, including a bank of computers to one school and tanks of gas to various families. Neyra, they said, had also pledged to construct a propane gas plant that would cut the cost of gas in half in Ayacucho. (Note: Neyra did not win the regional presidency in the elections, but he remains well-known in the region. The new Regional President, Ernesto Molina of the local Movement for Regional Innovation (MIRE), has promised to "industrialize" coca production and build roads. The Lima press has brought to light similar allegations of candidates' narco-connections in the capital covered in septel. End Note.)

Locals See Dangers: Consumption, Narco-Peonage

18. (U) Evangelical Pastor Jerry Santistevan as well as other contacts described how drugs are not just flowing through Huanta and Ayacucho, but are increasingly being used by people in the area, particularly youth in the cities. (NAS Note: the United Nations Office of Drugs and Crime (UNODC) is preparing a study of drug usage in Peru which will reportedly confirm a steep rise in drug consumption in Ayacucho. The study is slated to come out in February-March 2007. End Note.)

19. (SBU) Along with drug use, the narcotics trade is impoverishing those in the countryside. Regional President Omar Quesada noted the irony of coca production was that it generates fast money for a few while turning the peasants in the VRAE into virtual "peons" of narcotraffickers and causes extensive environmental damage.

Comment:

¶10. (SBU) Narco-penetration of Ayacucho, while not unknown, proved to be far more extensive than one would have guessed before this recent trip. Local experts mentioned ideas to limit the drug trade, including investment in infrastructure, more interdiction, and alternative crops like the oil-producing nut sachainchi. Nonetheless, their more extensive descriptions of increasing narco-influence in Ayacucho suggest that these alternatives have a long way to go if they are to gain traction at the expense of the area's thriving trade in illegal drugs.

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